

# House File 297 - Introduced

HOUSE FILE \_\_\_\_\_  
BY HEATON

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing that any increase in the tax on cigarettes and  
2 tobacco products be deposited into the healthy Iowans tobacco  
3 trust.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1779YH 82  
6 pf/cf/24

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1 1 Section 1. Section 12.65, subsection 1, Code 2007, is  
1 2 amended to read as follows:  
1 3 1. A healthy Iowans tobacco trust is created in the office  
1 4 of the treasurer of state. Moneys transferred to the healthy  
1 5 Iowans tobacco trust from the endowment for Iowa's health  
1 6 account of the tobacco settlement trust fund established in  
1 7 section 12E.12, proceeds derived from any increase in the  
1 8 amount of the tax levied on cigarettes pursuant to section  
1 9 453A.6, subsection 1, above eighteen mills per cigarette, the  
1 10 proceeds derived from any increase in the amount of the tax  
1 11 levied on tobacco products pursuant to section 453A.43,  
1 12 subsection 1, above twenty-two percent of the wholesale sales  
1 13 price of the tobacco products, the proceeds derived from any  
1 14 increase in the amount of the tax levied on the use or storage  
1 15 by consumers of tobacco products pursuant to section 453A.43,  
1 16 subsection 2, above twenty-two percent of the cost of the  
1 17 tobacco products, and moneys appropriated or transferred from  
1 18 any other source shall be deposited in the healthy Iowans  
1 19 tobacco trust.

1 20 Sec. 2. Section 453A.35, Code 2007, is amended to read as  
1 21 follows:

1 22 453A.35 TAX AND FEES PAID TO GENERAL FUND.

1 23 The proceeds derived from the sale of stamps and the  
1 24 payment of taxes, fees, and penalties provided for under this  
1 25 chapter, and the permit fees received from all permits issued  
1 26 by the department, with the exception of the proceeds derived  
1 27 from any increase in the amount of the tax levied on

1 28 cigarettes pursuant to section 453A.6, subsection 1, above  
1 29 eighteen mills per cigarette, the proceeds derived from any  
1 30 increase in the amount of the tax levied on tobacco products  
1 31 pursuant to section 453A.43, subsection 1, above twenty-two  
1 32 percent of the wholesale sales price of the tobacco products,  
1 33 and the proceeds derived from any increase in the amount of  
1 34 the tax levied on the use or storage by consumers of tobacco  
1 35 products pursuant to section 453A.43, subsection 2, above  
2 1 twenty-two percent of the cost of the tobacco products which  
2 2 shall be deposited into the healthy Iowans tobacco trust

2 3 created in section 12.65, shall be credited to the general  
2 4 fund of the state. All permit fees provided for in this  
2 5 chapter and collected by cities in the issuance of permits  
2 6 granted by the cities shall be paid to the treasurer of the  
2 7 city where the permit is effective, or to another city officer  
2 8 as designated by the council, and credited to the general fund  
2 9 of the city. Permit fees so collected by counties shall be  
2 10 paid to the county treasurer.

2 11 EXPLANATION

2 12 This bill provides that any proceeds derived from any  
2 13 increase in the amount of the tax levied on cigarettes above  
2 14 18 mills or 1.8 cents per cigarette, any proceeds derived from  
2 15 any increase in the amount of the tax levied on tobacco  
2 16 products above 22 percent of the wholesale sales price of the  
2 17 tobacco products, and any proceeds derived from any increase  
2 18 in the amount of the tax levied on the use or storage by  
2 19 consumers of tobacco products above 22 percent of the cost of

2 20 the tobacco products, is to be deposited into the healthy  
2 21 Iowans tobacco trust. The purposes for which moneys in the  
2 22 healthy Iowans tobacco trust may be used are purposes related  
2 23 to health care, substance abuse treatment and enforcement,  
2 24 tobacco use prevention and control, and other purposes related  
2 25 to the needs of children, adults, and families in the state.  
2 26 Under current law, proceeds from these sources are deposited  
2 27 in the general fund of the state.  
2 28 LSB 1779YH 82  
2 29 pf:nh/cf/24